

ANNUAL REPORT 1960



OUR 104TH YEAR

BOARDS

The Borden Company



COVER NOTE

The lively lettering shown on the cover of this Report is borrowed from Borden's current advertising campaigns, which stress the theme: "Very Big on Flavor!" The unusual style of lettering identifies Borden advertising in all media — magazines, newspapers, TV, and outdoor boards, as well as in store displays and dealer signs such as this shown by the pleasant young lady at the left.

Highlights

	1960	1959
Net Sales	\$956,014,030	\$941,326,495
Net Earnings	\$ 26,856,250	\$ 25,548,693
per share	\$2.71	\$2.61*
Cash Dividends	\$ 14,857,560	\$ 13,696,547
per share	\$1.50	\$1.40*
Working Capital	\$126,206,383	\$124,418,889
Ratio:		
Current Assets to		
Current Liabilities	3.08:1	3.08:1

*Adjusted for 2 for 1 stock split.

ANNUAL REPORT 1960

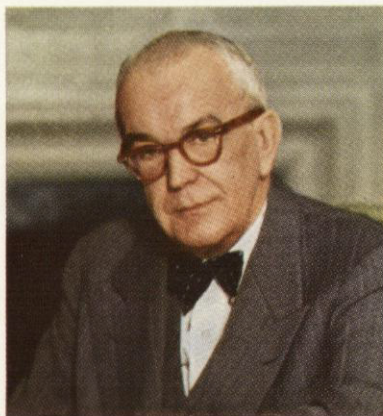
The BORDEN Company

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Harold W. Comfort



Theodore G. Montague

Message to Stockholders and Employees

The Company's 104th year was its best year. Sales and earnings reached new highs. Results fell short of the promise of the early months, but the organization was successful — through aggressive sales work, rigid controls on costs, and product development—in minimizing the effects of factors outside our control: The weather, and the economy.

There are hopeful signs that the upward trend of the economy will be resumed in coming months. If so, the recession will have been brief. In overall effect on the economy, it should be mild, although it has already been severely damaging to some areas, workers, and industries.

The Presidential campaign undoubtedly dramatized the unsettled state of business conditions. But it may be that in the whole postwar period too much attention has been directed to normal business cycles and year-to-year adjustments, stimulating alternate, short-lived feelings of caution and optimism. Overshadowed has been the nation's impressive long-term economic growth. This is a more realistic measure of the nation's direction, and of its future. With long-term growth as both guide and goal, industry can prepare to cope with and use the factors affecting that growth: Rising population and income, expanding research, extension of facilities, and improved management.

For Borden's, 1961 should be a good year. It will also be a year in which we will work to consolidate the accomplishments of 1960, and lay plans for 1962 and beyond. On the following pages are reported our major expansion projects here and abroad, completed or under way during the year or scheduled to start in 1961. Our milk and ice cream plants are being built with a view to capacities in excess of current needs of the markets they are intended to serve. We have charted the likely areas of above-average population increase and of economic promise and are prepared for their growth. Our chemical plants are designed for rapid and easy expansion. Thus, construction of new and enlarged facilities not only equips us for the present but also readies us for the future.

The evolution of Borden's continued in 1960. We are still primarily a dairy company, benefiting from the basic strength and steady growth the dairy industry enjoys. Dairy products will certainly be the foundation of Borden's business for many years to come. But we are giving greater emphasis to specialty products and convenience items and to chemicals, which normally bring higher rates of return on sales. The joint venture with United States Rubber Company in Monochem, Inc. (described on Page 16) sets a new course for us

in three respects: It establishes Borden's as a producer of basic chemical materials; it is our first domestic joint venture, associating us with a corporation of substance in a project that would not be economically feasible for either partner alone; and it is our largest single undertaking to date.

Finally, our research efforts are being pushed forward, and we are strengthening our management development program. Both of these have long-term significance in our determination to share in and contribute to the nation's economic growth in the years ahead.

The Company's progress would not have been possible without the loyalty and cooperation of all within the organization, and the friendly interest and support of stockholders. We are grateful for their help.

H. W. Comfort
President

Theodore G. Montague
Chairman

Feb. 20, 1961

Sales and Profits Reach New Highs

Profits and sales reached record levels in 1960.

Net income was \$26,856,250, up 5.1% from the \$25,548,693 earned in 1959 and a new high for the fifth year in a row. Per share earnings were \$2.71. The year before they were \$2.61, adjusted for the two-for-one stock split voted Jan. 5, 1960. Our rate of profit increased to 2.8 cents per dollar of sales from 2.7 cents in 1959.

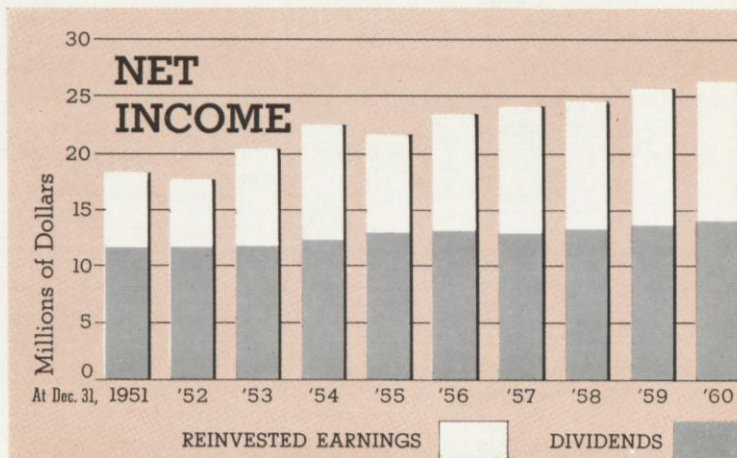
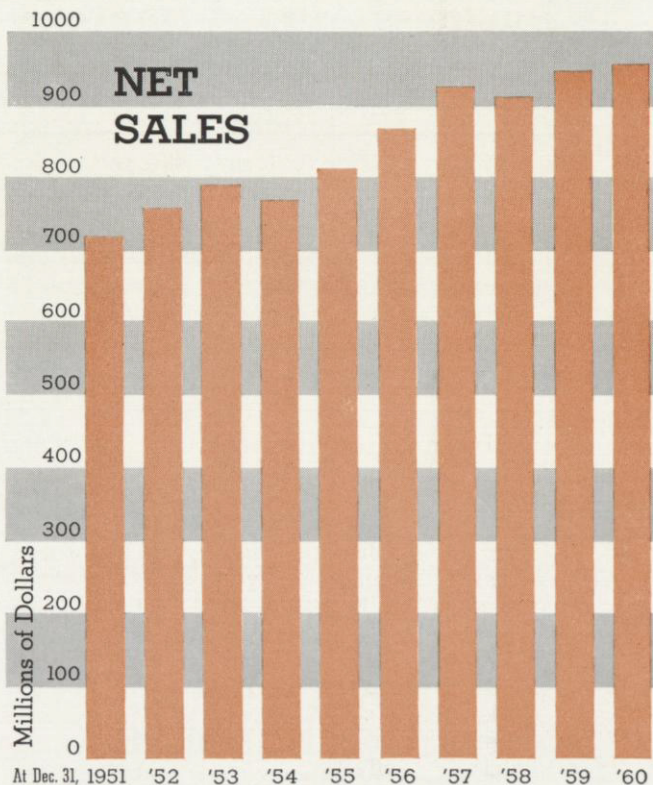
Sales totaled \$956,014,030, increasing 1.6% over the \$941,326,495 of 1959, the prior record year. Three major factors slowed the rate of increase: Unseasonable weather that affected sales of some principal food products; a slowdown toward year-end in some segments of the chemical industry; and a continued trend to wholesale from retail milk sales.

Dividend Increased

With the payment of 37½ cents a share on March 1, dividends were placed on a regular quarterly basis. Subsequent payments at this rate were made on June 1, Sept. 1, and Dec. 1, for a total of \$1.50 a share. In 1959 we paid the equivalent of \$1.40 per share, distributed in three interim dividends and a final dividend. The Company has paid a dividend in every year since its incorporation in 1899, the Dec. 1 payment being our 203rd consecutive dividend.

Working Capital Rises

Current assets of \$186,901,312 and current liabilities of \$60,694,929 (a ratio of 3.08 to 1) left a balance of \$126,206,383 as working capital, an all-time high. It was \$124,418,889 in 1959.



Business Abroad Improves

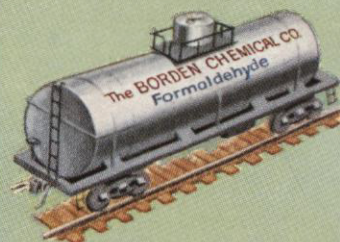
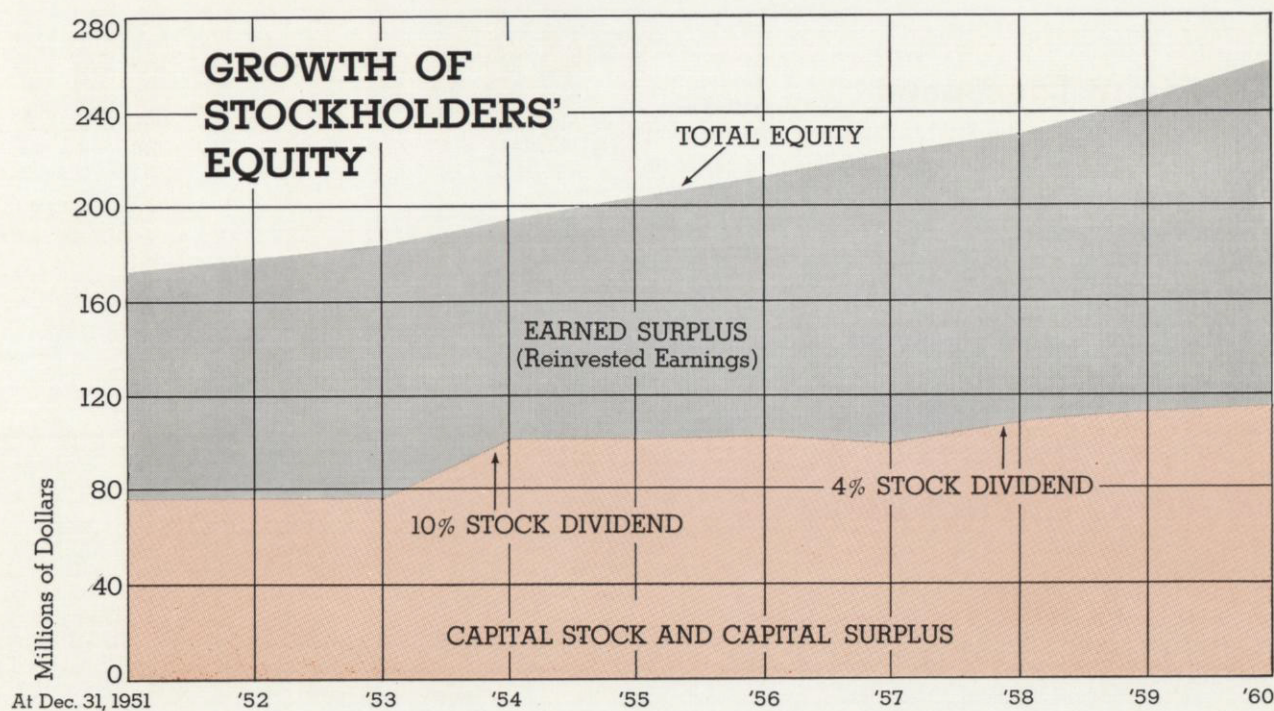
Business of the Company's unconsolidated foreign subsidiaries showed marked improvement. In anticipation of further gains, a major expansion program was undertaken that includes new ventures and locations and enlargement of some existing facilities.

Sales of the unconsolidated foreign subsidiaries totalled \$76,064,502, compared with \$70,626,961 in 1959. The Company's equity in their earnings was \$5,011,247. In 1959 it was \$3,775,960. Dividends paid to the Company, after provision for U. S. Federal Income Taxes, amounted to \$2,019,689. A year before, they were \$1,445,260. (Financial information regarding these subsidiaries appears on Page 13.)

Plans were undertaken to substantially enlarge the productive capacity of Borden's

chemical operations abroad by the end of 1961. We formed our eleventh foreign chemical subsidiary, The Borden Chemical Company (France) S. A., which is constructing a resins plant near Le Havre. This marks our entry into the European Common Market with chemicals. New plants, producing both formaldehyde and resins, will be completed near Buenos Aires, Argentina, and in Cali, Colombia. Engineering studies have been completed for a formaldehyde plant which we plan to erect in England.

Two joint foreign ventures got underway. In association with British Industrial Plastics, Ltd., a Mexican company was formed to produce amino molding compounds, and its plant is being built near Mexico City. In Australia, our partly-owned subsidiary, Swift & Borden Chemical Company, Pty., Ltd., is constructing a formaldehyde plant in Sydney.



Expansion of our present chemical facilities abroad continued. Capacity of the first methanol plant in Brazil, completed in 1959, is now being enlarged. Resins output of existing plants in Mexico City and England will be substantially increased.

Powdered milk continues as the principal product of our international food business, and its sales again increased appreciably. To supply growing markets abroad, we completed negotiations for the construction of a powdered milk packaging plant at Mallow, County Cork, Ireland. It is expected operations will begin in May, 1961. This new plant will supplement output of Borden facilities in Denmark and Holland. The Company's U. S. and Canadian plants also produce a substantial volume of powdered milk for export.

Expanding our international activities in perishable products, we acquired a majority

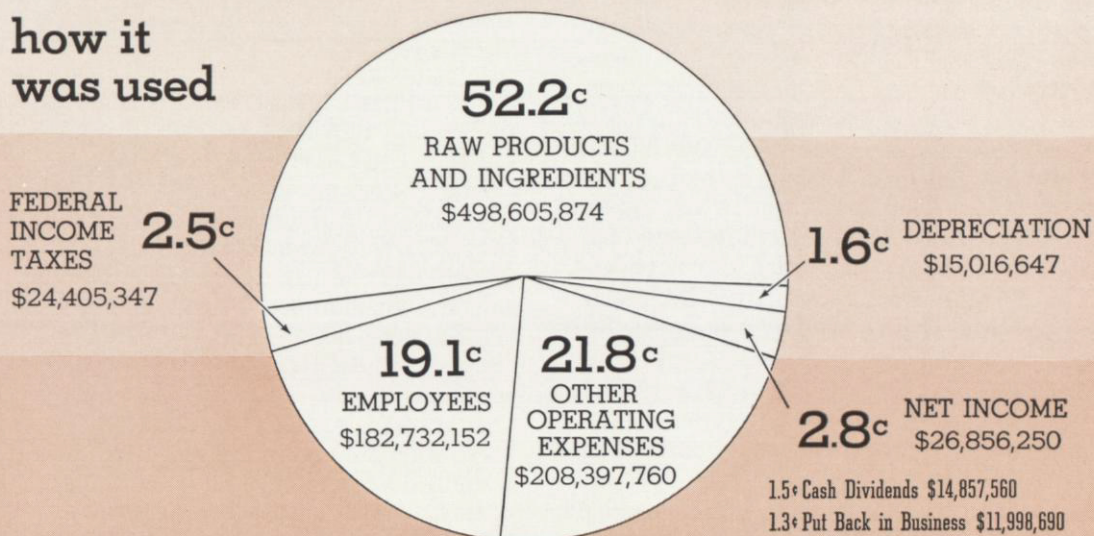
interest in Pasteurizadora de Helados Club, S. A., a leading manufacturer and distributor of ice cream in Venezuela. Caribbean Dairy, Santurce, Puerto Rico, a fluid milk processor and distributor, was acquired in February, 1961.

Research & Development Expands Product Line

Concentrating our efforts in the area of the more profitable specialties, we increased our research and development budgets to another all-time high. These allocations will be further increased in 1961. Our expenditures for research and development do not include the cost of the continual investigative work that is carried on in quality control laboratories, primarily on staple products that account for considerably more than half of our total sales. Yet these labo-

THE BORDEN SALES DOLLAR

how it
was used



Drake's



Yankee Doodles
Devil Dogs
Creme Filled Cups
Ring Dings
Fudgees
Pound Cakes
Coffee Rings
Coffee Cakes
Sponge Cakes
Cookies



ratories contribute substantially to the development of new — and the improvement of present — products, packaging, and technology.

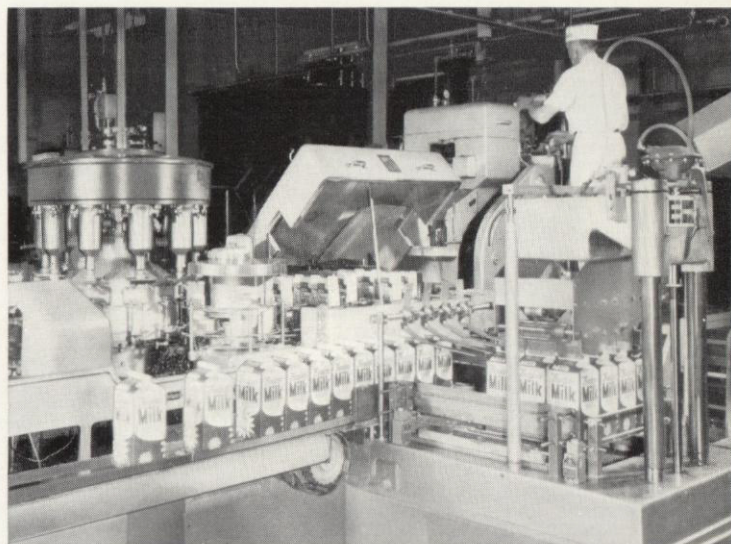
A number of new and improved products flowed from our research laboratories during the year. Some were major departures from our established lines; some, an expansion of these lines; others, an increase in varieties and flavors. There were also notable technological improvements.

Borden's Milk & Ice Cream Company introduced Borden's Ready Diet, a metered-calorie liquid dairy product — the first marketed by a national company.

Also introduced during the year were a half-dozen new ice cream flavors; a new line of cartons for ice milk that enhance the product's appeal; and, in regional areas, a variety of sour cream dips, a fruit-flavored cottage cheese, and new flavors of malted milk shakes.

The Borden Chemical Company was active in research on both industrial and consumer products. Two new consumer items were marketed: Elmer's Epoxy Resin, a new-type adhesive, and Elmer's Floor Grip, a non-skid backing for rugs. Good progress was made with Lemoflex, a polyvinyl alcohol resin from which water-soluble transparent packaging is made. When used for packaging single units of detergent or bleach, both contents and package dissolve on contact with water. Several new formulations of industrial adhesives were also developed.

The Borden Foods Company introduced new products, improved packaging and added new sizes. Two sea food-based items were marketed: Clams a la King, a product of our F. H. Snow Canning Company, and a cream cheese with lobster and clam. Whipped cream cheese appeared in "table-ready" plastic dishes; a new gelatin salad — spiced pear — was added. Starlac nonfat dry milk was introduced in a 20-quart canister on the



• *High Speed Filler: This modern packaging line in our Milwaukee, Wisc. plant is typical of new installations carried out under our five year, \$150,000,000 program of expansion and modernization.*

West Coast; four of our most popular cheese spreads were marketed in 8-ounce re-usable glasses; four varieties of pasteurized processed cheese appeared in 16-slice "family-size" packages — all in recognition of the trend toward larger consumer packages.

Product development was diverse within Borden Special Products Company. It developed, and manufactures, the basic compound used in the production of Ready Diet. Marcelle roll-on deodorant, and Methakote, a pediatric ointment, were introduced. A poultry feed additive and a calf-milk replacer were developed. A line of industrial paints designed for dairy and food plants was marketed.

Market research and consumer testing were intensified, both to measure the volume potential of new products and their likely consumer acceptance in advance of general introduction. These two areas will be given increased attention in 1961.



LATEX BASES FOR
Paint
Textiles
Paper Coatings





• Gala Plant Opening: President Harold W. Comfort and Board Chairman Theodore G. Montague pose with Alice in Dairyland and Miss Wisconsin at the opening of our new Milwaukee plant. Wisconsin's largest milk and ice cream plant, it is the very latest in modern design and engineering.

Growth Program Advances

Looking ahead to both a larger volume of business and greater operating efficiency, we diversified our domestic operations further in 1960, increased our productive capacities, renewed wornout and replaced outmoded facilities and equipment, and took steps for further growth in 1961. The fourth year of our five-year \$150,000,000 program for modernization and expansion brought us to the \$117,000,000 mark. We shall exceed the projected plan at its completion in 1961.

We obtained new construction and equipment totalling \$31,600,000 in 1960. Of this amount, depreciation accruals provided about \$13,800,000 and working capital \$9,100,000. About \$8,700,000 was obtained by lease. In 1961, the plan calls for about \$28,900,000 in plants and equipment, towards which depreciation accruals will provide about \$14,600,000, working capital \$5,300,000, and leasing arrangements about \$9,000,000.

In addition, borrowing will provide \$15,000,000 for new Borden chemical facilities in Louisiana. (See Page 16.)

Projects completed or underway in 1960 were numerous and diverse. Borden Foods Company put into operation three more of some 15 projected distribution centers, in Chattanooga, Tenn., Roanoke, Va., and New York City. Another center opened at Albany, N. Y., early in January, 1961. Stocked with the Division's full line of products, and equipped with data-processing machines, these centralized warehouses provide lower distribution costs, faster billing, speedier delivery service, and savings to customers from combined orders in carload lots.

Borden Foods Company's operations were further diversified during the year with the acquisition of Brandywine Mushroom Corporation of West Chester, Pa., a major processor of canned mushrooms.

(Continued on page 15)



POLYVINYL
CHLORIDE RESINS
FOR
Records
Floor Tile



Consolidated

December 31

ASSETS

1960

1959

CURRENT ASSETS

Cash	\$ 37,110,336	\$ 36,294,489
United States Government Securities	9,477,789	16,712,208
Receivables (less reserves)	65,786,359	61,668,206
Inventories		
Finished Goods	47,335,119	40,051,958
Materials and Supplies	27,191,709	29,464,176
Total Inventories	<u>74,526,828</u>	<u>69,516,134</u>
Total Current Assets	186,901,312	184,191,037

INVESTMENTS AND OTHER ASSETS

Unconsolidated Foreign Subsidiaries	1,723,147	1,723,147
Securities on Deposit	1,695,724	1,693,160
(Pursuant to Workmen's Compensation Laws, etc.)		
Mortgages, Receivables, etc. (less reserves)	<u>8,007,311</u>	<u>6,868,087</u>
Total	11,426,182	10,284,394

PROPERTY AND EQUIPMENT

Land	14,670,988	14,267,306
Buildings	97,027,726	92,745,875
Machinery, Equipment, etc.	<u>205,211,703</u>	<u>198,394,287</u>
Total	316,910,417	305,407,468
Less Accumulated Provision for Depreciation	<u>143,638,815</u>	<u>142,375,018</u>
Net Property and Equipment	173,271,602	163,032,450

DEFERRED CHARGES	3,521,074	3,361,678
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INTANGIBLES	<u>4,809,041</u>	<u>2,753,457</u>
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TOTAL	<u>\$379,929,211</u>	<u>\$363,623,016</u>
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See pages 11 and 12 for notes to financial statements.

Balance Sheet

December 31

LIABILITIES

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 57,204,109	\$ 55,883,735
Accrued Taxes (after deducting U.S. Treasury Bills equal to U.S. Federal Income Taxes—1960, \$15,100,000; 1959, \$13,100,000)	<u>3,490,820</u>	<u>3,888,413</u>
Total Current Liabilities	60,694,929	59,772,148

LONG-TERM DEBT

The Borden Company—2 $\frac{7}{8}$ % Debentures due 1981 . .	46,000,000	47,000,000
Subsidiary—3 $\frac{1}{2}$ % Note due 1973	<u>1,150,000</u>	<u>1,200,000</u>
Total	47,150,000	48,200,000

RESERVES

Insurance, etc.	6,968,920	6,893,260
Deferred Federal Taxes on Income	<u>4,489,766</u>	<u>3,187,143</u>
Total	11,458,686	10,080,403

CAPITAL STOCK AND SURPLUS

Capital Stock—Par value \$7.50 per share
Authorized 16,000,000 shares

	1960	1959
Issued 10,347,187 shares 10,266,148 shares		
Less Treasury Stock <u>439,687 shares</u> <u>466,148 shares</u>		
Outstanding 9,907,500 shares 9,800,000 shares	74,306,250	73,500,000
Capital Surplus	40,677,020	38,426,829
Earned Surplus (Earnings retained for use in the business) . .	<u>145,642,326</u>	<u>133,643,636</u>
Total Capital Stock and Surplus	<u>260,625,596</u>	<u>245,570,465</u>
TOTAL	<u>\$379,929,211</u>	<u>\$363,623,016</u>

Consolidated Income and Earned Surplus

	Year Ended December 31	
	1960	1959
NET SALES	\$956,014,030	\$941,326,495
OTHER INCOME (Includes Interest, Dividends and Royalties— 1960, \$5,081,450; 1959, \$4,652,525)	<u>5,497,341</u>	<u>5,356,491</u>
TOTAL	<u>961,511,371</u>	<u>946,682,986</u>
LESS		
Cost of Goods Sold	829,300,246	820,186,980
Selling, General and Administrative Expenses and Other Charges—net	79,226,831	75,511,400
Interest Expense	1,722,697	1,707,164
Provision for U.S. and Canadian Federal Income Taxes	<u>24,405,347</u>	<u>23,728,749</u>
TOTAL	<u>934,655,121</u>	<u>921,134,293</u>
NET INCOME FOR THE YEAR	26,856,250	25,548,693
EARNED SURPLUS AT BEGINNING OF YEAR	<u>133,643,636</u>	<u>121,791,490</u>
TOTAL	160,499,886	147,340,183
DIVIDENDS PAID (1960, \$1.50 a share; 1959, \$1.40 a share as adjusted for the 2 for 1 stock split)	14,857,560	13,696,547
EARNED SURPLUS AT END OF YEAR (Earnings retained for use in the business)	<u>\$145,642,326</u>	<u>\$133,643,636</u>

See pages 11 and 12 for notes to financial statements.

NOTES to Financial Statements

BASIS OF CONSOLIDATION, ETC.: The financial statements include all domestic subsidiaries and all Canadian operating subsidiaries, the accounts of the latter being converted at par. On Page 13 appears financial information concerning foreign subsidiaries, not consolidated, and dividends received by the Company therefrom.

INVENTORIES: In valuing inventories and in determining the cost of goods sold, average costs (reduced to market, if lower) were used, except as to certain products for which the last-in, first-out (Lifo) method was used. The inventory valuations of products on the Lifo basis were less than the current cost of those products by approximately \$6,300,000 and \$6,000,000 at December 31, 1960 and 1959, respectively.

LONG-TERM DEBT: The Borden Company shall pay into a sinking fund for its 2½% Debentures due 1981 a sum sufficient to redeem on March 1, 1962, and on each March 1 thereafter, to and including March 1, 1980, \$1,250,000 principal amount of Debentures with the option to increase any payment by an amount not exceeding \$1,250,000. The sinking fund obligation due on March 1, 1961 was satisfied prior to December 31, 1960 by delivery to and cancellation by the trustee of Debentures of a principal amount of \$1,250,000. The Company also has purchased, and holds in its treasury, Debentures of a principal amount of \$2,750,000 which are not shown as outstanding.

The Subsidiary's 3½% Note due 1973 requires the payment of annual installments of \$50,000 on November 15, 1961 (which installment is included in Accounts Payable) and on each succeeding November 15, to and including November 15, 1972.

CAPITAL STOCK AND SURPLUS: There was credited to capital surplus during 1960: \$2,022,740, representing the excess of the option price over the par value of 81,039 shares issued pursuant to options exercised; \$123,098, the proceeds from disposal of properties previously written off against capital surplus; and a net amount of \$104,353, representing excess of consideration received over par value of shares reissued for new businesses less excess of cost over par value of shares acquired. Stock reissued exceeded stock acquired by 26,461 shares.

Shares of capital stock for 1959 in the accompanying consolidated Balance Sheet have been adjusted for the 2 for 1 stock split approved by the stockholders on January 5, 1960.

EMPLOYEES STOCK OPTION PLAN: A summary of the operation of this plan during the year is as follows:

	Shares Reserved	
	For Options Granted	Available For Future Granting
Balance at December 31, 1959		
adjusted for 2 for 1 stock split....	598,304	6,544
Options granted (at \$42.35 a share)	3,400	(3,400)
Options exercised (32,667 shares at \$26.62 per share; 22,437 at \$35.75 and 25,935 at \$36.97).....	(81,039)	
Options cancelled due to termination of employment:		
Up to April 19, 1960, 892 shares, and thereafter, 1,343 shares ..	(2,235)	892
Shares cancelled due to expiration on April 19, 1960 of authority to grant options		(4,036)
Balance at December 31, 1960	518,430	—

The option prices for shares under option at December 31, 1960 were \$26.62 a share for 74,050 shares; \$35.75 for 123,929 shares; \$36.97 for 317,051 shares; and \$42.35 for 3,400 shares.

(Notes continued on page 12)

(Notes continued from page 11)

DEPRECIATION AND RENTALS: Provision for depreciation charged to operations was \$15,016,647 for 1960 and \$15,057,250 for 1959. Rentals amounted to approximately \$10,800,000 for 1960 of which \$8,300,000 was related to long term leases.

EMPLOYEES RETIREMENT INCOME PLAN: The unfunded lump-sum cost of retirement income for past service which is borne by the Company was actuarially estimated to be \$36,069,000 at

the close of the last Plan Year, April 1, 1960. The charge to operations for the year 1960 (including \$1,910,000 for the amortization of past-service cost) was \$4,170,000 which compares with the prior year charge of \$4,030,000.

CONTINGENCIES: The Company was guarantor of bank loans aggregating approximately \$6,500,000 at December 31, 1960. See comment on Page 19 of this Report for information regarding litigation.

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

TWO BROADWAY, NEW YORK 4

FEBRUARY 20, 1961.

To the Stockholders and Board of Directors of The Borden Company:

We have examined the consolidated balance sheet of THE BORDEN COMPANY and Consolidated Subsidiaries as of December 31, 1960 and the related statement of consolidated income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statement of consolidated income and earned surplus present fairly the financial position of the companies at December 31, 1960 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins + Sells

Foreign Subsidiaries Not Consolidated

December 31

Combined Balance Sheets

	1960	1959
Current Assets	\$33,889,188	\$28,661,103
Investments and Other Assets	3,086,035	3,243,438
Property and Equipment (Less Accumulated Provision for Depreciation)	14,629,258	10,130,373
Deferred Charges	705,855	795,319
Intangibles	535,084	341,955
Total Assets	<u>52,845,420</u>	<u>43,172,188</u>
Current Liabilities	21,659,331	16,205,792
Long-Term Debt	1,250,946	453,101
Reserves	728,492	648,818
Total Liabilities and Reserves	<u>23,638,769</u>	<u>17,307,711</u>
Net Assets	29,206,651	25,864,477
Less—Minority Interest	3,600,912	2,469,906
Company's Equity in Net Assets	<u>\$25,605,739</u>	<u>\$23,394,571</u>

Year Ended December 31

Combined Statements of Income

	1960	1959
Net Sales	\$76,064,502	\$70,626,961
Other Income	847,284	811,899
Total	<u>76,911,786</u>	<u>71,438,860</u>
Less		
Cost of Goods Sold	58,806,610	56,021,422
Selling, General and Administrative Expenses and Other Charges—net	10,441,921	9,489,386
Interest Expense	554,789	396,025
Provision for Foreign Taxes	1,599,122	1,315,671
Total	<u>71,402,442</u>	<u>67,222,504</u>
Net Income	5,509,344	4,216,356
Less—Minority Interest	498,097	440,396
Company's Equity in Net Income	<u>\$ 5,011,247</u>	<u>\$ 3,775,960</u>
Dividends to the Company	\$ 2,800,079	\$ 2,302,447
Less U. S. Federal Income Tax applicable thereto	780,390	857,187
Remainder included in Company's Net Income	<u>\$ 2,019,689</u>	<u>\$ 1,445,260</u>

THE BORDEN COMPANY and Consolidated Subsidiaries

Ten Year Summary

	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951
Operating										
Net Sales	\$956,014,030	\$941,326,495	\$915,024,172	\$931,220,662	\$876,987,184	\$810,126,624	\$776,838,791	\$792,381,721	\$768,019,612	\$722,770,380
Payrolls	\$182,732,152	\$178,847,166	\$178,811,677	\$178,034,224	\$164,966,379	\$153,233,084	\$145,063,306	\$140,063,502	\$134,784,228	\$122,158,335
Taxes	\$ 24,405,347	\$ 23,728,749	\$ 21,632,971	\$ 22,146,164	\$ 20,951,370	\$ 19,279,450	\$ 23,428,263	\$ 22,102,585	\$ 15,742,410	\$ 19,128,541
(U.S. & Canadian Fed. Income)										
Depreciation	\$ 15,016,647	\$ 15,057,250	\$ 15,393,749	\$ 15,573,279	\$ 15,130,492	\$ 14,282,324	\$ 13,761,179	\$ 13,294,359	\$ 12,301,608	\$ 11,285,846
Net Income	\$ 26,856,250	\$ 25,548,693	\$ 24,612,475	\$ 23,996,321	\$ 23,602,746	\$ 21,653,536	\$ 22,724,336	\$ 20,264,156	\$ 17,667,137	\$ 18,080,371
Per Sales Dollar	2.81¢	2.71¢	2.69¢	2.57¢	2.69¢	2.67¢	2.93¢	2.56¢	2.30¢	2.50¢
Per Share*	\$2.71	\$2.61	\$2.53	\$2.47	\$2.41	\$2.22	\$2.32	\$2.06	\$1.80	\$1.84
Cash Dividends	\$ 14,857,560	\$ 13,696,547	\$ 13,614,448	\$ 13,123,410	\$ 13,216,528	\$ 13,176,366	\$ 12,439,939	\$ 12,034,800	\$ 12,027,145	\$ 12,036,366
Per Share*	\$1.50	\$1.40	\$1.40	\$1.35	\$1.35	\$1.35	\$1.27	\$1.23	\$1.23	\$1.23
Financial										
Working Capital	\$126,206,383	\$124,418,889	\$124,255,089	\$121,102,083	\$118,232,105	\$119,400,811	\$119,436,523	\$119,578,762	\$115,921,287	\$114,987,211
Current Ratio**	3.08:1	3.08:1	3.12:1	3.22:1	3.26:1	3.54:1	3.84:1	3.76:1	3.89:1	3.86:1
Inventories	\$ 74,526,828	\$ 69,516,134	\$ 67,011,708	\$ 65,043,169	\$ 62,167,264	\$ 59,003,108	\$ 53,501,698	\$ 67,971,612	\$ 81,878,083	\$ 73,742,837
Property and Equipment	\$316,910,417	\$305,407,468	\$292,358,752	\$282,469,382	\$266,579,863	\$247,281,722	\$233,937,180	\$224,276,381	\$219,487,155	\$208,894,814
Accumulated Depreciation	\$143,638,815	\$142,375,018	\$139,211,991	\$135,517,724	\$127,647,295	\$119,172,355	\$111,285,644	\$105,685,809	\$101,724,036	\$ 93,006,980
Net Property and Equipment	\$173,271,602	\$163,032,450	\$153,146,761	\$146,951,658	\$138,932,568	\$128,109,367	\$122,651,536	\$118,590,572	\$117,763,119	\$115,887,834
Borrowed Capital	\$ 47,150,000	\$ 48,200,000	\$ 50,250,000	\$ 52,825,000	\$ 52,625,000	\$ 53,750,000	\$ 55,000,000	\$ 57,200,000	\$ 58,750,000	\$ 60,000,000
Stockholders' Equity	\$260,625,596	\$245,570,465	\$231,904,674	\$221,095,165	\$212,629,907	\$201,204,674	\$194,021,424	\$185,533,017	\$177,012,551	\$172,017,360
Other										
Number of Stockholders	48,954	47,942	48,358	48,537	48,488	48,876	49,430	50,605	51,324	51,479
Number of Employees	31,944	32,165	33,718	35,058	34,160	33,194	32,498	32,465	32,564	32,475

*Adjusted for 10% stock dividend in 1954; 4% stock dividend in 1958; and 2 for 1 stock split in 1960.

**Ratio of Current Assets to Current Liabilities.

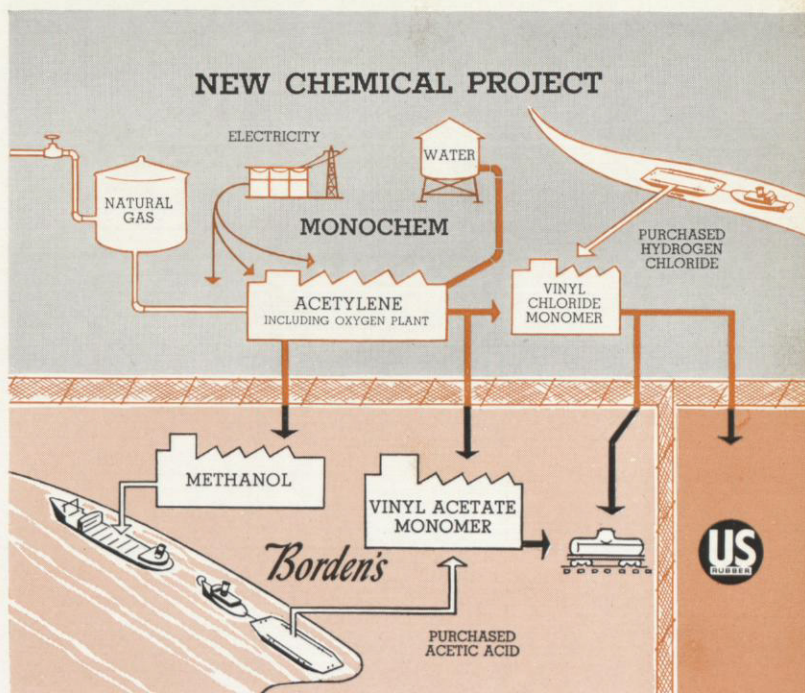
(Continued from page 7)

Borden Chemical Company moved its vinyl extrusions operations from Santa Barbara, Calif., to a newly completed plant at Compton, near Los Angeles. A new resins plant at Fremont, in the San Francisco Bay area, went on stream late in the year. A new polyvinyl chloride plant at Illiopolis, Ill., is scheduled to go into operation in March, 1961, and a research laboratory is underway at our Springfield, Ore., resins plant. A polyvinyl alcohol plant was built at Leominster, Mass.

There were two developments affecting the Chemical Company's ink and lacquer department. A research laboratory was erected at the department's headquarters at Fair Lawn, N. J., and operations were strengthened with the acquisition in February, 1961, of the Hawley-Monk Company, Cincinnati, O. Hawley-Monk, with manufacturing facilities in several cities, produces inks, varnishes, and lacquers used in letterpress, offset, and flexographic printing by the packaging, printing and laminating industries.

As this Annual Report went to press, negotiations were underway for the acquisition of the assets and business of the Columbus Coated Fabrics Corporation, Columbus, O. The firm, which has total assets in excess of \$18,000,000, is a leading manufacturer and seller of such products as oil coated, nitrocellulose coated, polyvinyl chloride coated, and acrylic coated fabrics used in the table covering, furniture, upholstery, automotive, and luggage industries as well as for wall-covering applications. It also produces and sells polyvinyl chloride film.

In 1960, Borden's Milk & Ice Cream Company completed new processing plants or branches handling distribution at nine locations, and expanded and modernized facilities at nine others. Underway, and scheduled for completion in 1961, are expansion and updating programs in five cities. A highly automated milk and ice cream plant



was completed at Milwaukee, Wisc., and was officially opened with a visit by Officers and Directors of The Borden Company in May. A new combination plant that also houses the new headquarters of our Florida District went into service at Tampa. A modern ice cream plant opened at Fort Wayne, Ind. Texas had two new facilities — a milk processing unit at Beaumont and a milk processing and ice cream distributing plant at Amarillo. A new ice cream plant at Modesto, and a milk and ice cream distributing branch at San Leandro, both in California, were opened. Integrated with these are extensive alterations of our milk plant in San Francisco.

A new milk processing plant is under construction in Dayton, O., and will be finished in 1961. New building, enlargement or refurbishing is being planned for a dozen other locations during the year.



ADHESIVES FOR
Plywood
Furniture
Packaging





• *The Crop's In: Equipped with a miner's lamp, B. J. Price picks mushrooms in a growing house of Borden's Brandywine Mushroom Corporation at West Chester, Pa., where its can- nery is also located.*

Joint Chemical Venture Launched

In May, the Company announced plans for Monochem, Inc., a joint venture with United States Rubber Company that will construct a major chemical unit for the conversion of hydrocarbons into acetylene and vinyl chloride monomer. To finance the project, construction of which will begin in 1961, it is anticipated that Monochem will secure a loan of about \$25,000,000 on a self-liquidating basis.

The Monochem plant will be built on a 419-acre site near Geismar, La., southeast of Baton Rouge. It will have an ultimate capacity of about 80,000,000 pounds of acetylene and up to 150,000,000 pounds of vinyl chloride monomer, the entire output of which will go to the co-owners.

To utilize its share of these products, Borden's will construct two individually-owned plants on a contiguous 220-acre site. One will produce methanol; the other, vinyl acetate monomer — both intermediary materials for Borden-made products, and which

we have been purchasing. Borden's will absorb the entire output of these two facilities. These plants will involve about \$15,000,000, which will be obtained through self-liquidating, short term borrowing.

Both the Monochem partnership, and Borden's wholly-owned plants, are a final step toward our production of these important basic chemicals.

Advertising Theme Held

A full program of promotional activities was carried out in 1960 and will be continued in 1961.

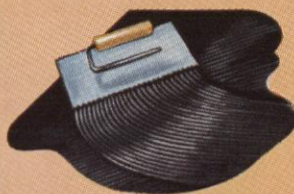
Our new advertising approach, with its theme, "Borden's, Very Big on Flavor," was so successful that it is being continued through 1961. Seasonal promotions proved effective, the Lenten, June Dairy Month, and Fall Cheese Festival periods being particularly well-suited to advancing our line of products. Advertising for Ready Diet, our new metered calorie liquid product, was extended to national magazines early in 1961. Magazines and outdoor billboards will again be used extensively for milk and ice cream advertising; promotion of our principal food products will be concentrated in print media, supplemented by local newspaper advertising.

In her 21st year as a live personality, Elsie the Cow's popularity increased. At Freedomland, an entertainment center in New York City, the Elsie exhibit attracted more than 1,000,000 visitors during the Summer, or 72% of total park attendance.

The Company entered negotiations to participate in the New York World's Fair 1964-65. (We maintained an exhibit at the 1939-40 Fair, at which time the live Elsie was introduced.)



BUILDING
MAINTENANCE
MATERIALS



Safety Plan Strengthened

While overall safety experience in 1960 was a little better than the prior year, Borden's safety program was further strengthened and should show improved results in 1961. Our program is intended to reduce the number of accidents and thus minimize the consequent suffering, and to reduce costs, which have been increasing at a much faster rate than the accidents themselves. The program is being carried out in four areas: Job and supervisory training; medical supervision; preventive maintenance; and a reduction in employee turnover.



• *Sample for a Celebrity: Ex-President Harry S. Truman was presented with a bottle of our Gail Borden Signature Quality Milk by a milkman whom he encountered on an early-morning stroll in Manhattan. Pocketing the bottle, Mr. Truman said: "I drink milk every morning for breakfast." And news cameras clicked while reporters recorded the event.*

N.Y. Journal American Photo.



• *For Now and Tomorrow: The South's largest milk and ice cream plant was completed at Tampa. Designed to serve the rapidly-expanding population of Central and West Coast Florida, it also houses our Florida District headquarters.*

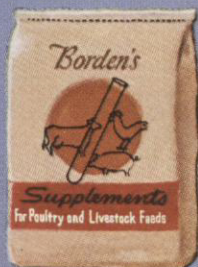
Employee Benefits Raised

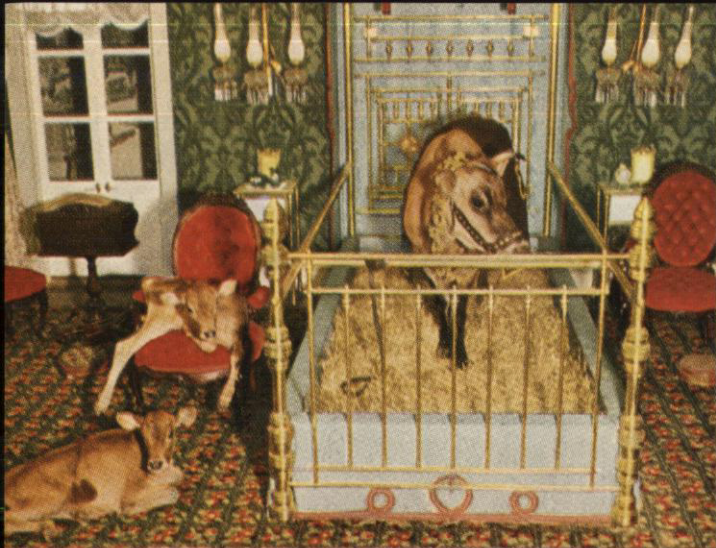
The Board of Directors authorized improvements in the Employees Group Life Insurance Plan. Major changes, which become effective April 1, 1961, are:

An increase in amount of insurance to one and a half times an employee's annual earnings; a reduction in rate of employee contribution to approximately 50 cents per month per \$1,000 insurance; a reduction to 15 years in length of service to qualify for insurance in retirement; and a continuation of insurance, based on length of service, for employees who become totally disabled.

Payments to beneficiaries under our Employee Benefit Programs increased 17% in the plan year ended March 31, 1960, to a record high of \$4,777,442, including \$1,847,956 in retirement income.

Borden's Quarter Century Club membership increased to more than 6,700 active and retired employees, with the initiation of 437 new members. Two were cited for 50 years of service and 126 were honored on completing 40 years with the Company.





• *Elsie Stars Again:* With her twins, Elsie was the featured attraction of Freedomland, New York City's new amusement center. More than 1 million visitors saw the Elsie show.



• *Snack from a Friend:* A young cowhand from the plains of Texas—or Brooklyn—meets his first cow. Most visitors found Elsie's plushy Victorian boudoir as attractive as the famous cow herself.

Stockholder Trend Up

There were 9,907,500 shares of capital stock outstanding on Dec. 31. This compares with 9,800,000 shares outstanding at the close of 1959, adjusted for the two-for-one stock split effective Jan. 5, 1960. Presumably as an effect of the stock split, there was an increase in the number of shareholders of record. They totaled 48,954 at year-end, compared with 47,942 a year earlier.

In addition to the shareholders of record there are, of course, many owners who have their stock registered in the names of brokers or nominees of banks or trust companies. The average stockholding was 202 shares, as compared with 204 (adjusted) a year before. So far as is known, no one owned as much as 1% of the outstanding stock.

During the year the Company bought 143,841 shares of its stock; from these and previous purchases, 170,302 were reissued for the acquisition of new businesses. We issued 81,039 shares which were purchased under the Employee Stock Option Plan.

Board Increased; Officers Elected

The Company's Board of Directors was increased to thirteen with the election, at the Annual Meeting on April 20, of two new members. They are Morris Hadley, a senior partner in the New York law firm of Milbank, Tweed, Hope & Hadley, and Leo W. Bayles, a former Vice President of the Company and former President of Drake Bakeries, Inc., a subsidiary.

On Sept. 27, Mr. Bayles resigned as a Director of the Company. He was replaced by Eugene Holman, who had retired in May as Chairman and Chief Executive Officer of the Standard Oil Company (New Jersey) after 37 years of service with that company.

In view of our expanding domestic and international operations, the Board on April 20 amended the Company's By-Laws to provide for more than one Executive Vice President. On that date, Francis R. Elliott, with Borden's for 31 years, a Vice President of the Company and President of Borden's



Milk and Ice Cream Company since 1957, and a Director since 1959, was elected an Executive Vice President. Harry L. Archer, with Borden's since 1926, on April 20 was elected a Vice President of the Company and appointed President of Borden's Milk & Ice Cream Company, of which he had been Vice President.

Litigation

Beyond normal litigation arising from day-to-day operations, two new Federal anti-trust proceedings, and two under Wisconsin statutes, were brought against the Company and other dairy concerns. The Company is vigorously defending these as well as anti-trust actions pending from prior years.

Canadian Profits Decline

A variety of factors slowed Canada's economic growth in 1960, and The Borden Company, Ltd., felt the effects. Gross National Product increased about 2%, one-third of the expected rise. The size of the labor force grew faster than the number of new jobs; at year-end, almost 7% of the labor force were unemployed. Productivity increased, but less than wage rates. On the bright side, exports rose.

Volume sales of the Canadian company increased but dollar sales were about the same, owing chiefly to lower prices of nonfat dry milk, of which there is a heavy surplus in Canada. Profits declined because of lower margins; prices were steady or down, but operating costs—principally labor and materials—increased. The introduction of new products, while adding to sales, also added to the cost of doing business. Results are expected to show improvement in 1961.

Ready Diet was introduced in Canada in December with good results, but too late to

appreciably affect sales or profits. Also new in Canada during the year were Borden's Instant Whipped Potatoes, Instant Dutch Chocolate, and None Such Mince Meat. A line of cream cheeses in new plastic dishes made its appearance. Several new products will be introduced in 1961.

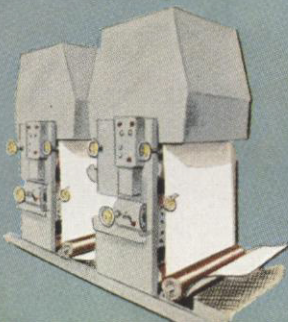
Processing and manufacturing facilities of the Canadian company were enlarged during the year. Its evaporated milk plants at Truro, N. S., and Ingersoll, Ont.; an egg plant at Winnipeg, Man.; and a dry milk plant at Tillsonburg, Ont., all were extensively modernized. Ground will be broken shortly for a new milk processing and ice cream distribution plant at Toronto. This building will also house the Canadian company's home offices.



• For Svelte Figures: Borden's Ready Diet, a new liquid dairy product of measured caloric content, met with immediate acceptance on its introduction. Designed for weight control, Ready Diet has a special professional appeal for models, such as Linda Bromley, who must keep healthy and trim.



GRAVURE PRINTING INKS



THE BORDEN COMPANY

BOARD OF DIRECTORS

THEODORE G. MONTAGUE, *Chairman*
HAROLD W. COMFORT, *President*
FRANCIS R. ELLIOTT, *Executive Vice President*
MORRIS HADLEY, *Member of law firm,*
Milbank, Tweed, Hope & Hadley
L. MANUEL HENDLER, *Baltimore*
Former Chairman, South East District
EUGENE HOLMAN, *New York, Former*
Chairman, Standard Oil Company (N.J.)
ROBCLIFF V. JONES, *New York*
Former Vice President
LESTER LE FEBER, *Milwaukee*
Former President, Gridley Dairy Co.
MADISON H. LEWIS, *New York*
Former Chairman, East District
AUGUSTINE R. MARUSI, *Vice President*
President, Borden Chemical Co.
HOWARD C. SHEPERD, *New York, Former*
Chairman, First National City Bank of New York
ALBERT C. SIMMONDS, JR.
Chairman, The Bank of New York
ROY D. WOOSTER, *Executive Vice President*

EXECUTIVE COMMITTEE: Mr. COMFORT, *Chairman*;
Messrs. HENDLER, JONES, LEWIS and MONTAGUE

COMMITTEE ON AUDIT: Mr. SIMMONDS, *Chairman*;
Messrs. HOLMAN, LEWIS and SHEPERD

FINANCE COMMITTEE: Mr. MONTAGUE, *Chairman*;
Messrs. COMFORT, HADLEY, LEWIS, SHEPERD
and SIMMONDS

PENSION COMMITTEE: Mr. JONES, *Chairman*;
Messrs. COMFORT, ELLIOTT, LEWIS, MONTAGUE
and WOOSTER

OFFICERS

HAROLD W. COMFORT, *President*
FRANCIS R. ELLIOTT, *Executive Vice President*
ROY D. WOOSTER, *Executive Vice President*
HARRY L. ARCHER, *Vice President*
CECIL I. CROUSE, *Vice President*
THEODORE O. HOFMAN, *Vice President*
DR. RAYMOND J. KUNZ, *Vice President*
AUGUSTINE R. MARUSI, *Vice President*
EVERETT L. NOETZEL, *Vice President & Treasurer*
DOUGLAS T. ORTON, *Secretary*
THOMAS W. BIGGS, *Assistant Vice President*
LOUIS CSENGE, *Assistant Vice President*
MILTON FAIRMAN, *Assistant Vice President*
EDWIN S. PATIENCE, *General Controller*
HARRY L. CAMP, *Assistant Treasurer*
KENNETH J. NEAGLE, *Assistant Secretary*

BOARD OF OFFICERS: Mr. COMFORT, *Chairman*;
Messrs. ARCHER, BIGGS, CROUSE, CSENGE,
ELLIOTT, FAIRMAN, HOFMAN, KUNZ, MARUSI,
NOETZEL, ORTON, WOOSTER, and JEAN J. CHAREST,
President of The Borden Co., Ltd., and JACK B. PENTZ,
Vice President of Borden's Milk & Ice Cream Co.

CORPORATE DATA

EXECUTIVE OFFICES: 350 Madison Avenue, New York 17, N. Y.
REGISTERED OFFICE: 117 Main Street, Flemington, N. J.
COUNSEL: Milbank, Tweed, Hope & Hadley, 15 Broad Street, New York 5, N. Y.
AUDITORS: Haskins & Sells, Two Broadway, New York 4, N. Y.
REGISTRAR: Bankers Trust Company, 16 Wall Street, New York 5, N. Y.
TRANSFER AND DIVIDEND DISBURSING AGENT: The Chase Manhattan Bank,
40 Wall Street, New York 15, N. Y.



1



2



3



4

In 1960 the research of The Borden Kitchen turned to elections and American history as a means of promoting Borden products. Recipes for delicacies of past generations were streamlined to simplify preparation and modified for modern products from the Borden line. The completed dishes were photographed in authentic period settings and, appearing in hundreds of newspaper columns, acquainted readers with new uses for Borden products. Shown here are: (1) A table of George Washington's time, fea-

turing mince pie with Cheddar cheese crust and garnish of stars; (2) a dinner such as Thomas Jefferson might have served at Monticello with potato-mushroom stuffing for fowl; (3) served on a replica of a modern White House tablecloth, a clam and pea soup, topped with salted whipped cream, and an accompaniment of cheese pastry; and (4) an All-Borden buffet for Election Night, or other informal entertainment, featuring cheeses, gelatin salads, coffee ring, sour creams, etc. For other photos see the back cover.



Here are a cheese rabbit and tomatoes stuffed with mushrooms for a stag supper such as Theodore Roosevelt might have served during his presidency. Recipes for dishes shown here and on the preceding page may be had by writing our Stockholder Services Bureau.



When the Lincolns entertained they featured such delicacies as these — a sillabub, a trifle, creme au café custard, honey nut bread and cakes that had sweet-tooth appeal in Civil War days.